TOKYO GAZETTE

A MONTHLY REPORT OF CURRENT POLICIES, OFFICIAL STATEMENTS AND STATISTICS

CONTENTS

REGISTRATION OF VOCATIONAL ABILITIES 1
(*Department of Welfare*)

FISHERY DISPUTES IN THE NORTHERN SEAS 8
(*Department of Agriculture and Forestry*)

THE HAINAN CAMPAIGN 14
(*Publicity Bureau, Navy Department*)

INVOCATION OF THE NATIONAL GENERAL MOBILIZATION LAW 20
(*Board of Planning*)

GRAMOPHONE RECORDS AS AFFECTED BY THE CURRENT EMERGENCY 22
(*Department of Home Affairs*)

THE 74TH SESSION OF THE IMPERIAL DIET
— Ministerial Addresses of January 21, 1939 — 27

STATEMENT OF THE FOREIGN OFFICE SPOKESMAN 45
— Regarding the Participation of Manchoukuo and Hungary in the Anti-Comintern Agreement —

LAWS AND ORDINANCES RECENTLY PROMULGATED 46
(*Prime Minister's Cabinet*)

No. 21 **March 1939**

Published Monthly by the Tokyo Gazette Publishing House

The TOKYO GAZETTE is published monthly by the Tokyo Gazette Publishing House under the supervision of the Bureau of Information, Prime Minister's Department. Its purpose is primarily to supply information concerning the nature of problems being confronted today by the Japanese nation as a whole, and of the governmental steps being taken to solve these problems.

The material in the TOKYO GAZETTE is selected mainly from the *Weekly Report*, edited by the Bureau of Information. The accuracy and comprehensiveness of data presented in the *Report* are fully established. For the benefit of students of Japanese affairs, the TOKYO GAZETTE is endeavouring to maintain these qualities in the hope that its publication will eliminate unfortunate misunderstandings and thus contribute to world peace and international goodwill.

Printed in Japan

REGISTRATION OF VOCATIONAL ABILITIES

DEPARTMENT OF WELFARE

A system of registering vocational abilities of the people at large, for which preparations had been going on for some time, went into effect as from January 20, 1939, as provided in Ordinance No. 5 promulgated on January 7th, on approval of the National General Mobilization Council. This may be a pertinent occasion, therefore, to clarify the nature and necessity of such a measure.

The system can be explained, briefly, as one in which the State registers working abilities of the people, abilities for mental as well as physical types of work. It can accordingly be called the System for National Registration of Vocational Abilities. As for its necessity, it may easily be seen in connection with general mobilization which calls for efficient and appropriate mobilization of the working abilities of all people in the nation. Needless to say, such successful national mobilization cannot be effected without having definite records of their whereabouts and details of their abilities. Hence the present system of registration becomes inevitable.

In view of this necessity, the National General Mobilization Law provides, in Article 21, for obligating Japanese subjects to report on and to be examined concerning their vocational abilities. This system of general registration, however, is not applied to physicians, dental surgeons, pharmaceutists, veterinary surgeons, and mariners. For with regard to those engaging in medical and related professions and occupations, a separate, special Ordinance for registering their abilities has already been promulgated, and with regard to the others of this group, similar Ordinances concerning their respective vocational groups will soon be promulgated.

Registration Agencies

Employment bureaus have been designated to act as agencies for registration under the present system, on account of their qualifications as agencies for mobilization of labour services, intellectual as well as physical, in time of emergency and for utilizing these records in time of peace. The change from municipal to national management of these employment bureaus, which was effected in July, 1938, has made them peculiarly fitted for the purpose, since by this change they have come to be widely and adequately distributed throughout

the country, improved in organization and activities, and operated with the view of nation-wide, rational adjustment of supply and demand of labour. And for the carrying out of this new and important task, employment bureaus will be greatly reinforced in personnel.

Those Required to Register

In the light of the above-stated purpose of the national registration system, the best way of carrying it out may require the registration of all the members of the nation who are capable of working in some way in time of emergency, regardless of age, sex and occupation. Such a step, however, not only exhausts the time and energy of the competent authorities but is unnecessary for the practical purpose of national labour mobilization. The present system, therefore, specifies certain categories of vocational and other abilities deemed most urgent in war-time labour mobilization as constituting the qualifications for being registered.

They are :

1. *Japanese subjects :* aliens will not be registered.
2. *Male subjects :* women also may be included in wartime labour mobilization ; however, as men will form the immediate objective of the mobilization, women are excluded from this system.
3. *Male subjects above 15 and below 50 years of age :* this age restriction is adopted from the consideration that those who are within these ages are most suitable for mobilization ; those outside these age limits, therefore, might possibly be mobilized in time of war.
4. *Subjects residing within the Japanese Empire :* those Japanese subjects residing in foreign countries are excluded from this system.
5. *Subjects who are of the categories named below :—*

   a. Those who have pursued vocations designated by the Minister of Welfare for more than three consecutive months. As for the designated vocations, some 130 classes relating to war industries or those considered as essential for military operations have been named, including mechanicians, miners, forgers and turners. Classes of designated vocations will increase in the future according to the actual needs. The time restriction is adopted for the purpose not only of ensuring the minimum amount of skill but of preventing complexities in

registration arising from cases of leaving and changing vocations, which occur most frequently within the early months after starting in them.

b. Those who have pursued the vocations stipulated in the foregoing for more than one year without intermission within the period of the past five years. The requirement of one year is made out of the consideration that it is the minimum length of time in which can be acquired a fair degree of skill in vocations, and the requirement of within the period of the past five years in consideration of the possible lowering of skill already acquired by extending the period.

c. Graduates of universities, colleges and technical schools designated by the Minister of Welfare, who have taken the authorized courses. Graduates of such educational institutions are considered to have acquired adequate vocational abilities and skill by the fact that they have successfully completed the prescribed courses. The designated institutions are mainly technical schools above the middle grade, and the designated courses are such technical courses as mechanical, electrical, mining and metallurgical engineering and applied chemistry.

d. Those who have completed work in technical training institutes designated by the Minister of Welfare, such as training institutes for mechanics established by the State or municipalities. They are considered as qualified for registration for the same reason as graduates of the schools stipulated in the foregoing.

e. Those who have obtained licences or certificates by passing examinations and tests designated by the Minister of Welfare, such as those for chauffeurs and farriers.

Exemption is made, however, from the registration in the cases of those coming under the categories named below ;

1. Men in the services who are on the active list or those who have been called to the colours in time of war and of other emergencies in accordance with Clause 2 of Article 55 of the Military Service Law.
2. Cadets enroled in the active service.
3. Civilians in the employ of the Army and Navy.
4. Physicians, dental surgeons, pharmaceutists, veterinary surgeons, and mariners coming within the purview of the Mariners Law.

Matters to be Registered

The employment bureaus are to register the following matters concerning vocational abilities of the people who are within the purview of the present Ordinance and keep up to date the records of changes in important matters :

1. Name
2. Date of birth
3. Permanent domicile
4. Present residence
5. Connections with Military Service
6. School career, including matters relating to educational qualifications for being registered which are elsewhere stipulated
7. Present vocation
8. Principal place of work, in the case of a person who is pursuing a vocation designated by the Minister of Welfare
9. Vocational career and the degree of skill, in the case of the above-stated person or of a person who had once been in a designated vocation
10. Amount of the salary or wages, in the case of a person who is receiving a salary or wages
11. Married or unmarried and number of those who are, at present, supported by the registered
12. Mental or physical conditions, in the case of a person who becomes mentally or physically disabled
13. Whether or not the registered wishes to engage in a business relating to general mobilization
14. Other matters

Reporting for Registration

With regard to the reporting of these matters for registration, the question may be asked as to who are to be held responsible for reporting, what kinds of reports are required, when the reports are to be made, and to whom they shall report. They are answered in the following :

1. The Persons Responsible

The person concerned is invariably to be held responsible for reporting ; but in the case of one pursuing a vocation designated by the Minister of Welfare in the employ of another person both he and his employer will be jointly held responsible. In the case of one employed by the State, however, only the employed will be held responsible. This placing of responsibility jointly upon the employer and the employed will not only facilitate but also ensure accuracy in reporting. The only exception to this provision of joint responsibility is the

case in which the vocation is not one designated by the Minister of Welfare; in this case, the employed who is within the purview of this Ordinance alone is held responsible.

2. Kinds of Reports

These are of the following four kinds :

a. The general report, which is to be made when a person becomes qualified for registration. In this case, all matters to be registered are to be reported.

b. The report of change, which is to be made when changes occur in the name, permanent domicile, present address, military service connection, school career and place of work; in this case only matters concerning changes are to be reported.

c. The temporary report, which is to be made when specially ordered by the Minister of Welfare. This provision greatly supplements and reinforces the other two provisions in that it authorizes the reporting of minor changes which are not required in the case of the change report, and in that it can be utilized for preventing cases of defaulting. As for the scope of the classes of persons and the matters to be reported, they can be decided by the Order according to the needs of the circumstances.

d. The disqualification report, which is to be made when the registered person has come to lack in any of the qualifications for the registration or to possess any of the qualifications for exemption from it.

Additionally, when the registered person dies and when the employer ceases to employ the qualified person, the related person is required to report the same.

3. Time of Reporting

a. Both the general and the change reports are to be made, in principle, not later than the last day of the month following the month in which a fact or facts required to be reported have occurred. However, in cases of a person travelling abroad and of a reservist being called up for annual training, this regulation concerning the time limit is not enforced. Further, as a transition measure, in the case of one whose time limit for reporting falls sometime before the last day of March, 1939, he may report not later than that date.

b. The time limit for the temporary report is to be fixed each time by the Order.

4. Addressee of the Report

The reports are to be made to the below-listed directors of employment bureaus :

a. The director of the local employment bureau at the place of his work, in the case of the person pursuing the vocation designated by the Minister of Welfare.

b. The directors of local employment bureaus at places of residence of the reporters in other cases.

Reporting of the change of the place of work and of residence should of course be made to the director of the local bureau at the place of new residence of the reporter.

Examination of Vocational Abilities

In view of the objective of the national registration system which lies in the rational mobilization of vocational abilities of the people in time of emergency, keeping the records of their abilities in clear and definite terms is essential. Reporting to be made by the persons concerned and their employers regarding their vocational careers and technical skill according to the given standards is a feasible but by no means satisfactory method of keeping such records and of supplying data for judging and estimating the kinds and grades of their abilities. In order to ensure accuracy in the estimation to the greatest possible extent, therefore, the National General Mobilization Law provides for the examination of vocational abilities of the people. And this examination will be conducted, in principle, by Prefectural Governors and directors of local employment bureaus under the following procedure.

1. Judging by Computation Formula

This is a method of judging the adequacy or inadequacy of the report concerning the degree of skill by a certain formula or standard worked out by computing statistically inter-relations between years of experience and degrees of skill. In applying this method to a report, if the reported degree of skill agrees with the formula, the adequacy or validity of the report is considered as established and the report is accepted ; but if discrepancies are found between the formula and the report, the reporter is subjected to practical examination.

2. Practical Examination

According to this method, individual registered persons are

made to perform a given piece of work, and by their ways of doing things and the results of their work the grades of their skill are adjudged. In this connection, the important questions are what kinds of work should be given as the test and what methods of grading the results be adapted. Accordingly, with a view to working out such standards, a central institute for examination of technical skill will be created. Test questions worked out in this institute are to be used by the officials in charge of examinations who are attached to prefectural governments in giving the work-test to individual workers at individual industrial and other establishments.

Exceptions and other Provisions

With regard to certain classes of those employed by the State who are within the purview of this system of national registration, particularly those in the employ of the governmental establishments designated by the Minister of Welfare, which are mostly establishments of the Army and Navy, special provisions are made for reporting, examining and registering their vocational abilities. They are to be reported upon to employment bureaus through those establishments. When, however, those qualified for these exceptional provisions become disqualified, they are placed under the general rules concerning the reports and other requirements.

All these provisions concerning the national registration of vocational abilities will be effectively carried out by empowering directors of employment bureaus and Prefectural Governors to require other reports deemed necessary for the purpose of the system from persons concerned and to make inspections of factories and other establishments.

FISHERY DISPUTES IN THE NORTHERN SEAS

DEPARTMENT OF AGRICULTURE AND FORESTRY

JAPANESE fishing along the Russian coasts of the Sea of Japan, the Sea of Okhotsk and the Bering Sea has been one of the most weighty problems affecting the relations between Japan and the U.S.S.R. Disputes and difficulties concerning this industry have become increasingly intense and, in view of the importance of the industry to the food supply and trade of Japan, their outcome is being watched by the nation with deep concern.

Fishing in the northern seas is a treaty right which Japan acquired after paying dearly in terms of money and human life. The Russians, however, have consistently endeavoured to drive away all Japanese influence from the fishing industry in the Far East. So it was in the days of the Czars and so it is today in the Soviet Republic.

Thus, the story of the development of the fishing industry in Russian waters in the Far East is at the same time the story of struggle centring around the Japanese right to fish in these waters. At the present time when this right appears to be more precarious than ever before, it may be of interest to trace the growth of Japanese fishing operations in the northern seas.

Long before the conclusion some thirty years ago of the Fishery Agreement between Japan and Russia, Japanese fishermen were found actively engaged in their trade in northern waters. Back in feudal times some daring fishermen were reported to have crossed over to Sakhalin. The exchange of Sakhalin for the Kurile Islands in 1875 seemed to have put a stop for a time to the activity of Japanese fishermen in Russian waters. However, the terms within this treaty of exchange concluded concerning the industry granted to Japanese vessels and traders the rights and privileges accorded to the nationals of the most favoured nation. Japanese people were allowed freely to navigate to ports in the Okhotsk and Kamchatka seas for trading and fishing purposes. In fact, as early as 1870, Japanese fishermen operating off Sakhalin extended their activities to the coast of the Maritime Province.

It is still fresh in the memory of the Japanese nation that, in 1894, an expedition under the command of Lieutenant Gunji raised the flag of the Rising Sun on the western coast of Kamchatka and engaged in active fishing in the neighbouring seas. Russia soon came

to take alarm at the development of Japanese fishing in its own waters and the Russian authorities began to adopt an exclusion policy against Japanese activities. They promulgated regulations detrimental to these activities, such as giving the Russians preferential rights in the leasing of fishing lots by placing restrictions on the nationalities of fishermen and prescribing unjust treatment of Japanese in the matter of taxation. Overcoming all these discouraging factors and untold hardships, however, Japanese fishing in Russian waters succeeded in holding its own and kept on expanding.

The Russo-Japanese War of 1904–1905 definitely won for Japan, among other concessions, the right and privilege of fishing in the northern seas, and the Treaty of Portsmouth and the Russo-Japanese Fishery Agreement have placed Japan's fishing industry on a firm, legal basis. But nevertheless, it was destined to meet with all manner of oppression and interference.

The year 1937 was marked by the massacre of Japanese at Nikolayevsk; later came the assault on the quarters of fishermen at Okhotsk. Both were phases of the Russian Revolution. Although the fishing rights were placed in a precarious position by these occurrences, the industry weathered the storm by virtue of the united efforts of the Japanese Government and fishing interests. It will be recalled that in 1921 and 1922, 'free fishing' was undertaken under Government protection.

With the restoration of diplomatic relations between Japan and Soviet Russia in 1925, the Soviet Government agreed to revise the Fishery Convention concluded between Japan and the old Régime, as provided in the "Soviet-Japanese Convention Embodying Basic Rules of Their Relations." But toward the end of that year, the Soviets were induced to negotiate for revision of the new Fishery Agreement and conversations for this purpose were opened at Moscow, leading to the conclusion in May, 1928 of the existing Fishery Convention, which came into force the following year. Still, this Convention did not signify by any means the termination of trouble for Japan's fisheries in the northern seas. On the contrary, one difficulty followed another.

The acquisition of fishing lots is by far the most important question for the industry. During the period from 1908 to 1928, the comparative position of Japanese fishing to Soviet fishing in terms of the size of fishing lots in operation showed that Japanese interests had 80 per cent of the total fields as against 20 per cent operated by the Soviets. But with the progress in the prosecution by Russia of her first and second Five-year plans and by a distorted interpretation of the provisions of the Convention, persistent attempts were made

to deprive the Japanese fishing interests of the lots which had been allotted to them as a treaty right, with the result that the relative position of fisheries of the two countries today is quite reversed. As a matter of fact, Japanese interests were operating in 1938 in 386 fishing lots, consisting of 369 for salmon and sea trout and 17 for crab, whereas the Soviet Union owned 402 lots, comprising 375 for salmon and sea trout and 27 for crab. However, this does mean that the Soviets have made such development as these figures suggest, for of the principal fishing lots reserved to them off the western coast of Kamchatka only 75 per cent are operated and it may safely be inferred that, of the total fishing lots, nearly onehalf of them are left idle. This clearly indicates that the Soviet Union is trying to keep fishing lots to herself not so much for exploiting them as to oust the Japanese fishing industry from Soviet waters.

Simultaneously, the Japanese interests working in the northern seas have united in determined efforts to maintain their fishing rights based on the existing Convention. Notwithstanding their untiring efforts to rationalize the industry, the number of fishing lots leased by Japanese interests in accordance with the provisions of the Convention was in danger of being gradually diminished, through the modifications brought about by the Soviet auction system, and the operation of the fishing industry in Soviet waters became increasingly difficult by the enforcement of stringent and complex measures of the field supervision by the Soviet authorities.

In view of these difficulties, Japan proposed, in May, 1935, the revision of the Convention as provided for therein. But the negotiations for revision were not concluded before the expiration of its terms in May, 1936. In consequence, a temporary agreement was reached whereby the validity of the Convention was extended for one year. Meanwhile, the negotiations were continued until finally in October, 1936 a new Convention was drafted by the representatives of the two countries and this was to be signed on November 20, 1936.

At this stage the Russians became very chary of executing the documents on the pretext that the internal preliminaries had not been completed in time. Thereupon a second temporary agreement was effected at Japan's behest, which made possible Japanese fishing operations for 1937.

Disregarding the insistent requests for an early conclusion of a new fishing convention, Russia kept putting off the negotiations on this or that pretext with the result that Japan was forced for the third time to demand the conclusion of a temporary agreement, which was effected on November 29, 1937. This placed at her

disposal, for another year, 280 fishing lots and definitely fixed the exchange rate to be used in payment of rent on the lease. Arrangements for a provisional agreement along similar lines for 1939 are, however, still pending, the Soviet authorities persisting in their unconciliatory attitude.

The conclusion of the Anti-Comintern Agreement between Germany and Japan appears to have incited the Soviets to increase their unscrupulous, oppressive methods against Japanese fisheries in the northern seas. This may be seen in the increase within the last few years of the number of cases of alleged infringement of fishery regulations under the Soviet Far Eastern Fishery Bureau as well as in the growing amount of fines charged, as seen in the following figures.

Year	Number of Charges	Fines	Goods confiscated	Total
1933	19	45,088 (in Roubles)	3,466 (in Roubles)	48,554 (in Roubles)
1934	13	26,626	14,906	41,531
1935	91	107,968	1,797	109,765
1936	68	95,834	13,791	109,625
1937	111	587,463	150,092	737,555
1938	127	.....	.....	800,000 (Estimate)

Let us repeat that Japanese fishing in Soviet waters is carried on in pursuance of the provisions of the Convention and the supplementary agreement concluded for the purpose between the two countries and in strict observance of all laws and regulations imposed by the U.S.S.R. and by her fisheries and customs officers. The increase in the number of cases brought against Japanese fishing interests and the growth of the amount of fines charged therefore only serve to show that there is something wrong on the part of the Soviet authorities. A description of some forms of the pressure exerted by them upon legitimate Japanese fishing operations, which have been experienced during the past year, follows.

(1) In 1937, eight interpreters in the employ of the Nichiro Gyogyo Kaisha (Russo-Japanese Fishery Company) were denied visas to enter Soviet territory entirely without cause and in utter disregard of diplomatic negotiations. These people were again prohibited last year from proceeding to the fields of the fishing operations. It will be recalled that last May a Soviet boat was detained in a port in Hokkaido on the charge of violating the rules concerning Military Zones. Evidently in retaliation for this incident, the Soviet Consulate at Hakodate refused visas for Japanese fishing boats ready for duty and prohibited the passage of the managers, interpreters and fishermen until after repeated diplomatic negotia-

tions, when only five of the group were allowed to proceed, detaining some twenty persons, much to the inconvenience and loss of business to the company.

(2) In view of the fact that the fields of fishing operations are far removed from the homeland and are separated by long distances from one another, it has been customary to employ some boats as communication vessels between various fields. In fact such boats have been active for the past twenty years. Last year the Soviet authorities suddenly refused to grant a navigation permit to one of these boats when she was about to sail. Meanwhile, there was a great catch of pink salmon but, owing to shortage in the supply of empty tins which the boat in question was to bring, the fish had to be salted instead of tinned, causing thereby a loss of no less than one million yen.

(3) Whereas the manufacture of fish cake for use as fertilizer is an auxiliary industry recognized in the Fishery Convention, the Soviet Far Eastern Fishery Bureau wilfully placed the establishment of factories for this manufacture on a licence system and charged in a most summary manner fines not only on the eight factories set up during 1936 and 1937 but also on five other factories which had been running for the past twenty years without any complaints raised against them. Moreover, the Soviet authorities demanded the pulling down of the first-named group of plants during the fishing season of 1938. The Japanese Government pointed out the irregularity of these orders and invited the Soviet authorities to reconsider their steps, but to no avail. On the contrary, without the consent of the depositors, they used the Japanese guarantee money in payment for arbitrarily imposed charges and then demanded replenishment of the guarantee money. This question is still pending at the present time.

(4) There is prescribed for each fishing lot a stated volume of fish which can be caught. It had been the custom to measure this volume by the net weight of the goods produced and, in the case of tinned fish, the net weight of the contents had been counted. From 1932, however, the Soviet authorities began to insist on basing calculations on the gross weight, including the weight of the cans. Weighed in this manner, it followed that the Japanese catch exceeded the limit exactly by the weight of the cans and for such excess amounts, the authorities have charged fines, which up to 1937 rose to a total of over five million roubles.

The list of injustices and oppressions performed by the Soviet authorities against Japanese fishing does not end there. Faults are found where none exist. For instance, these authorities insisted that

certain fishing lots operated by Japanese were too close to the mouth of a river, whereas the same lots had been operated with immunity for the past twenty years. In another instance, when the Soviet officials happened to find entirely trivial and wholly innocent errors in the entries in the diary kept by Japanese fishermen, they seized the opportunity of making a mountain out of a mole hill and lost no time in making the usual charge of irregularities and imposed more fines.

The northern seas fisheries, employing 20,000 workers and operating 500,000 tons of shipping tonnage, have an annual production worth 40,000,000 yen to Japan. There are still vast stretches of seas that have not yet been exploited, with untold amounts not only of salmon, sea trout and crab but also of codfish, herring and other fish. In view of the past efforts made to build up the fishing industry, in the face of manifold hardships and oppressions, to the point it has reached today, the Japanese feel that they have the right and duty to maintain and expand this industry at all costs.

THE HAINAN CAMPAIGN

PUBLICITY BUREAU, NAVY DEPARTMENT

A COMMUNIQUE containing the following information was issued by the Army and Navy Departments of the Imperial Headquarters at 9 : 55 o'clock on the morning of February 10th.

> "Crack units of the Imperial Army and Navy, operating in close cooperation, succeeded in effecting a surprise landing on Hainan Island early this morning. The units are now advancing inland."

The anticipated Hainan campaign had begun

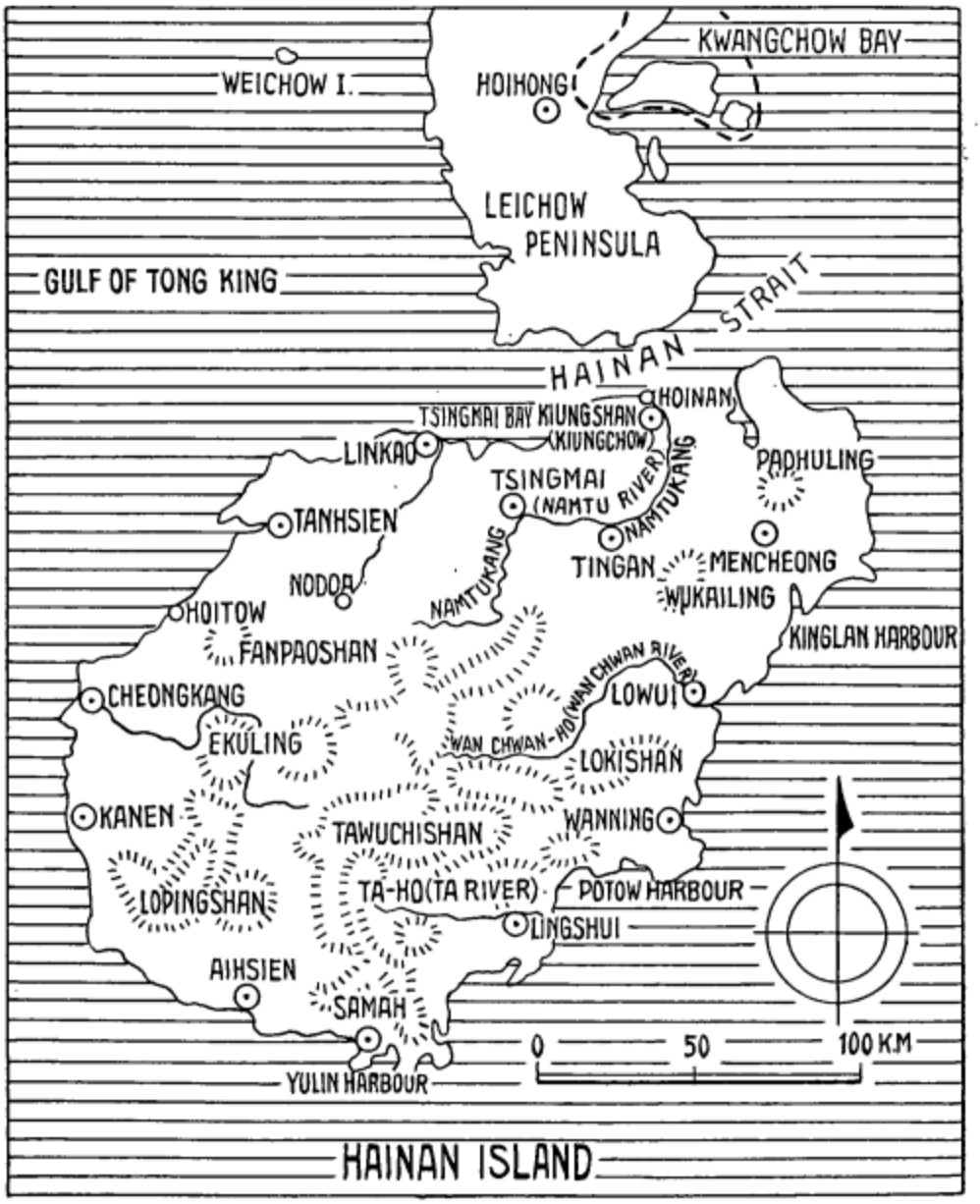
The Japanese fleet in South China under command of Vice-Admiral Kondo and a large number of military transports sailed from their base on an undisclosed day in February and secretly entered Tengmai (Tsingmai) Bay in the northern part of Hainan Island at midnight, February 9th. Landing operations were started immediately and the forces succeeded in the disembarkation at 3 o'clock the following morning and started an inland advance, easily breaking through the resistance of Chinese troops caught unaware.

A rather strong breeze prevailed during the morning but the sea was calm. One was reminded of the successful Japanese landing on the shore of Bias Bay inaugurating the Canton campaign last October.

Pursuing a daring policy, the Japanese forces took the pier at Siuying, several kilometres beyond the point of their landing at 10 a.m., and occupied Kiungshan, capital of Hainan Island at 10 : 45. Haikow (Hoihow), the largest town in the island, was taken at noon.

Prior to this, some Japanese naval craft had begun the removal of booms and the sweeping of mines in the Nantu (Namtu) River, on which Haikow is situated. After overcoming these difficulties, the warships succeeded in proceeding along the delta and reached the capital at 2 : 30 p.m., thus establishing a junction between the naval and military forces and securing a line of communication to Haikow from the sea.

Meanwhile, the Japanese naval escorts watched against possible Chinese attacks from the air and sea near the point of the landing and also facilitated landing operations. Certain of the warships joined with naval aeroplanes in bombarding effectively the Chinese


KWANGCHOW BAY
WEICHOW I.
HOIHONG
LEICHOW
PENINSULA
GULF OF TONG KING
STRAIT
HAINAN
HOINAN
TSINGMAI BAY
KIUNGSHAN
(KIUNGCHOW)
LINKAO
TSINGMAI
(NAMTU RIVER)
NAMTUKANG
PADHULING
TANHSIEN
TINGAN
MENCHEONG
NODOA
NAMTUKANG
WUKAILING
HOITOW
FANPAOSHAN
KINGLAN HARBOUR
CHEONGKANG
LOWUI
WAN CHWAN-HO(WAN CHWAN RIVER)
EKULING
LOKISHAN
KANEN
TAWUCHISHAN
WANNING
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fort at Siuying, west of Haikow, from about 10 : 45 o'clock in the morning.

This fort at Siuying lies some 4 kilometres west of the capital. It was equipped with three 28-centimetre guns and two 15-centimetre guns, but these were immediately silenced when subjected to the combined Japanese attack from air and sea.

Siuying Fort and the headquarters of the Chinese troops stationed nearby were first bombarded by a Japanese warship engaged in suspending traffic against Chinese vessels along the coast of South China, on September 16, 1937. Since then, they had been attacked by ships and planes from time to time. The present campaign marks the conclusion of the necessary steps to destroy the Chinese military base of operations on Hainan Island.

The naval air force easily secured command of the air over Hainan Island, where Chinese planes were inactive. The Japanese aeroplanes did not merely cover the advancing military forces, but participated in the opening of the waterway on the Nantu River and also bombed Chinese forts and other military establishments in the interior of the island, including those at Kiungtung, Tsinglan (Tingan), Wenchang, Sankiangshih and Tashih. The planes were fired on with machine-guns and rifles but sustained no damage.

Enemy positions at Tengmai and Tungshan were also attacked by the Japanese air force. While participating in these attacks, one naval machine made a forced landing on Tungshui Creek on the southern shore of Tengmai (Tsingmai) Bay. Villagers immediately gathered round the disabled plane, but they showed no signs of hostility against its crew. Rather, they manifested sympathy with the crew along with considerable interest in the machine and assisted in the salvage work. Consequently, both plane and men were reached in safety by the Japanese authorities. It is felt that this episode demonstrates the fact that inhabitants of Hainan Island have already lost their hostile feeling against the Japanese, and are now actually manifesting good-will to the Japanese forces on the island.

While the military operations in the northern part of Hainan were making steady progress, a Japanese naval detachment succeeded in making a surprise landing at Yulin Harbour near Samah Bay to the south on February 14th. A landing party started an immediate advance from near the bay. The Ohta and Inouye detachments occupied Yulin at noon, February 14th, while the Nakase and Katoh detachments began a drive on an undisclosed place.

The Chinese offered some resistance, which, however, was easily broken by the combined attack from land and air. Sustaining a crushing blow, the Chinese troops fled to the mountains. Many

inhabitants who had evacuated Yulin are now returning to the town. Japanese casualties in these encounters were limited to one killed.

It may be recalled that approximately one year ago, on January 19, 1938, two Japanese bluejackets were killed by Chinese troops which fired on them from three directions. On that occasion, Japanese warships, while cruising off Hainan Island, had learned through aerial reconnaissance that a large number of Chinese junks loaded with war supplies had been staying in Yulin. The warship sent a landing party of 18 in a vedette boat and a cutter to the port and before the Chinese fire could be silenced two of the men, Yoshio Mukai and Fusao Urada, were killed. And now, Yulin is in Japanese hands.

Hainan Island is a little larger than Formosa. The Japanese forces now are conducting operations both from the north and south on the island. It is anticipated that complete occupation of the island will be effected very soon. With the key points in Hainan already occupied by Japanese forces, the blockade against the coast of South China has been materially strengthened and an opportunity has been created to make possible a more vigilant watch over the route of arms supply for the Chiang Kai-shek Régime through Tongking Gulf (Annam Bay). It is conceivable that the Japanese forces with their base of operations firmly set up on Hainan Island will prepare for a drive on Luichow (Leichow) Peninsula and Pakhoi on the Tongking Gulf.

Hainan Island is reported to have special connections with France. However, the treaties between Japan and foreign countries or between China and foreign Powers contain no provision which would restrain Japan's action on Hainan. When it is remembered that Japan's occupation of the island will hasten the termination of the China Affair, it is felt that third Powers should recognize that in this way their interests will be furthered as lasting peace in East Asia will soon ensue.

Other Naval Activities in China

Since late in December, the Japanese Naval Air Force in China has been particularly active in South China, where it has been attacking Chinese bases for the purpose of destroying Chinese military establishments and dealing a crushing blow to the remnants of the Chinese air force.

In North China, Japanese landing parties in face of the approaching severe cold started clean-up campaigns against the remnants of Chinese troops which infested the neighbourhood of the Japanese occupied areas.

Toward the end of December, a Japanese landing party started a drive

from near Lienyunchiang, the eastern terminus of the Lung-Hai Railway and routed several hundred Chinese regulars from Sucheng and Sunchiashan. In cooperation with a Chinese militia force, about 150 strong, the landing party also eliminated Chinese regulars and guerillas from Pehyuntai, Sunchiashan and Sucheng.

Early in January, when the winter was at its height, the party undertook a successful campaign against the remnants of Chinese troops west of Pehyuntai. Covered by mechanized units and aeroplanes, the party successfully attacked Chinese troop concentrations and military barracks. The area southwest of Chefoo was also cleared of Chinese regulars and guerillas by this party in cooperation with 180 Chinese militiamen. In those engagements, the enemy left over 300 dead, but the Japanese casualties numbered only 3.

Operations along the Yangtze

The Japanese naval force on the Yangtze River is now engaged in suppressing the remaining Chinese troops and guerillas on either bank of the river, while removing booms and sunken vessels and sweeping mines.

In December, the Japanese mine-sweepers made satisfactory operations in Twanfeng, Changchiachow, Paotachow, Tsaichiang and Tungliu.

Further progress was recorded early in January when a large number of mines were discovered and disposed of, while various important passages of the Yangtze River were cleared of mines, including Fulingchow, Lukichow, Chenglingchi, Luchiachiao, Yanglingchi, Hsienfengyen, Twanfeng, Pailochi, Paichow, Matangchia, Wusueh, Szetzeshan, Chipanchow, Huhwangchow, Yuchi, Linhsiangchi, Loshan, Tayeh, Sishan, Hwangchow and Echeng. During the operations, one Japanese warship captured two Chinese naval guns and a large quantity of ammunition at Mopanshih, while a Japanese gunboat flotilla dispersed a strong body of Chinese guerillas at Chiliuchen.

In the middle of January the mine-sweeping operations were extended to points above Echeng and also to the passages from Tayongchow to Tatung and from Anking to Matangchen. A Japanese gunboat flotilla dispersed Chinese guerillas, while reconnoitring near Tangkow. Part of this flotilla sailed up the creek from Tangkow and attacked a base of the Chinese guerillas at Chenhangchen where it seized a large number of motorcars and other war supplies.

The South China Campaign

Late in December, a Japanese destroyer flotilla and the naval force on the Pearl River swept several hundred Chinese junks engaged in arms transit and other clandestine activities from the neighbourhood of Waichow Island about 30 miles due south of Pakhoi and also from between the Pearl River and Lingting Island. The Japanese garrison at Samshui, the junction of the North and West Rivers in Kwangtung Province, dislodged a company of Chinese regulars from a hill opposite Makow.

In January, a Japanese landing party effected a surprise landing on the

southern part of Waichow Island and cleared the whole island of Chinese troops. The Japanese naval force on the Pearl River in concert with the military force routed the Chinese garrison at the entrance of the Shawan passage and entered the passage. Pushing north from Chentsun, the Japanese naval force cleaned up remnants of Chinese troops and guerillas up to Tashihpochi, at the same time seizing several hundred junks.

The Japanese mine-sweepers on the Pearl River, assisted by naval aeroplanes, swept mines not only on the main stream of the Pearl River, but other waterways connected with the Pearl River, including the creek west of Eliot Island, the entrance of the Nimrot Creek, the creek between Haichinsha and Taisha and the passages of Hsiaohusha and Erhu.

INVOCATION OF THE NATIONAL GENERAL MOBILIZATION LAW

BOARD OF PLANNING

A vital necessity in Japan today is the expansion of productive power in munitions and other essential industries and the promotion of foreign trade. Through invocation of the various provisions of the National General Mobilization Law, it is anticipated that a defence-centred economic system will be established.

The following is the list of Imperial Ordinances issued and drafts approved to date upon the recommendation of the National General Mobilization Council.

Imperial Ordinances Already Issued or Ready for Promulgation	Under Provisions of	Date Referred to the Council
Ordinance Restricting Employment of School Graduates (Imperial Ordinance No. 599 of August 24, 1938.)	Article 6	August 10, 1938.
Ordinance Controlling Factories and Workshops (Imperial Ordinance No. 318 of May 5, 1938.)	Article 13	
Ordinance Concerning Declaration of Vocational Abilities of Persons Engaging in Medical Services (Imperial Ordinance No. 600 of August 24, 1938.)	Article 21	Augusr 10, 1938.
Ordinance Concerning Declaration of Vocational Abilities of the People (Imperial Ordinance No. 5 of January 7, 1939.)	,,	December 5, 1938.
Regulations Governing the National General Mobilization Compensation Commission (Imperial Ordinance No. 474 of July 2, 1938.)	Article 29	
Ordinance Concerning Organization of the National General Mobilization Council (Imperial Ordinance No. 319 of May 4, 1938.)	Article 50	
A Summary Draft of an Imperial Ordinance restricting employment of operatives.	Article 6	December 5, 1938.
A Summary Draft of an Imperial Ordinance pertaining to the control of wages.	,,	December 22, 1938.
A Summary Draft of an Imperial Ordinance restricting working hours in factories.	,,	,,

Imperial Ordinances Already Issued or Ready for Promulgation	Under Provisions of	Date Referred to the Council
A Summary Draft of an Imperial Ordinance pertaining to use and expropriation of goods within the purview of the General Mobilization Law.	Article 10	December 22, 1938.
A Summary Draft of an Imperial Ordinance restricting corporation dividends.	Article 11	,,
A Summary Draft of an Imperial Ordinance pertaining to use and expropriation of factories and workshops.	Article 13	,,
A Summary Draft of an Imperial Ordinance pertaining to management, use or expropriation of land, houses or other constructions.	,,	,,
A Summary Draft of an Imperial Ordinance pertaining to establishment of new industrial equipment, expansion or improvement of existing equipment.	Article 16	October 31, 1938.
A Summary Draft of an Imperial Ordinance concerning the declaration of vocational abilities of mariners.	Article 21	December 5, 1938.
A Summary Draft of an Imperial Ordinance concerning the declaration of professional abilities of veterinary surgeons.	,,	December 22, 1938.
A Summary Draft of an Imperial Ordinance pertaining to training of technicians at schools and training institutions.	Article 22	October 31, 1938.
A Summary Draft of an Imperial Ordinance pertaining to training of skilled labour in factories and workshops.	,,	,,
A Summary Draft of an Imperial Ordinance pertaining to training of navigators.	,,	December 5, 1938.
A Summary Draft of an Imperial Ordinance pertaining to formulation, and rehearsal in operation of plans concerning general mobilization which shall be assigned to proprietors of industrial enterprises.	Article 24	December 22, 1938.
A Summary Draft of an Imperial Ordinance pertaining to experiments and research.	Article 25	,,

GRAMOPHONE RECORDS AS AFFECTED BY THE CURRENT EMERGENCY

DEPARTMENT OF HOME AFFAIRS

THE China Affair, as may be presumed, has affected all industries in Japan. Its effect has been particularly serious on amusement enterprises, as the nature of them is not quite in accord with the governing spirit of the present moment. The manufacturing of gramophone records is an industry that has felt a heavy blow.

Prior to the occurrence of the present Affair, this industry enjoyed great prosperity in Japan, with the 1934–36 period as its peak; but this prosperity declined suddenly with the outbreak and continuation of the conflict. Under the China Affair, ease could no longer be felt in the national life. Restraint and self-denial became the order of the day and amusements in any form diminished. Naturally, such a change reacted on gramophone record manufacture. The sale of common recordings of popular songs, variety sketches (manzai), and historical story recitations (naniwabushi) dropped immediately after July, 1937. This was almost fatal to the recording companies which counted greatly on the sale of records of this kind.

As time went on, the depression became more severe. In November and December, 1937, the total number of records sold in these normally prosperous months was less than half of an average monthly sale in the years preceding the Affair.

Details of these circumstances are illustrated by the lists of new gramophone records which are presented to the Department of Home Affairs for censorship on their issuance by the recording companies. We are able, with certain reservations, to survey the general conditions of record manufacturing from them. These lists supply us the number as well as classification of new records issued, and enable us to infer what classes of records have the highest sales-value and bring the most profit to the companies, causing concentration on their production. One handicap in this line of investigation is the fact that the number of new records of one kind issued does not necessarily signify the greatness of its sales-value. For instance, the companies have shown a tendency to issue records of popular songs in abundance, not only in number but in variety, without any particular guiding principle. They have found in the past that the

sale of records of one successful popular song more than covers the loss of the unsuccessful many, so they have not hesitated to issue this kind of record in a steady stream. Even in this case, however, the decline of popular interest in a certain class of popular recordings tends to check further production of the same kind, and thus, in the long run, the tendency of general demand can be ascertained. Now, the strict control of materials and resources has restrained them from applying this method of sounding popular demands by wasting thousands of records.

Effect of the Nation's Restraint

Our list gives us the following outline of conditions in the record manufacturing industry. As for the records of popular songs, the new issues from July to December, 1937 showed a great decrease in number. It decreased at a high rate from August to October, and the total number of new records put out in the last-named month was only a quarter of that in July. The reason of this drop was, as above mentioned, due to the self-restraint of the people. There was a slight rise in the number in November and December, but it was mainly on account of the artificial means adopted by record companies for enlivening their trade, and the actual sale was extremely poor. However, with December, 1937 as the lowest ebb, the sale of gramophone records revived gradually after April, 1938. It must have been due to the fact that human nature cannot entirely abstain from recreation and amusement and also to restoration on the part of the nation of general composure when the first shock of the conflict subsided. At present, the sale of records is generally increasing though the issue of new records has been decreasing in number.

Below is given a table showing the issue of new records in the years preceding and following the China Affair.

	From Sept. 1936 to Aug. 1937		From Sept. 1937 to Aug. 1938		Rate of Decrease	
	Number	Kind	Number	Kind	Number	Kind
Western Music	2,122	3,086	1,746	2,411	376	675
Japanese Music	2,629	1,718	1,568	1,083	1,061	635
Popular & Folk Songs	2,731	5,161	1,633	3,172	1,098	1,989
Nursery Rhymes & Stories	815	1,440	594	1,073	221	367
Story Recitals	1,044	885	524	439	520	446
Others	1,794	2,346	1,515	2,091	279	255
Total	11,135	14,636	7,580	10,269	3,555	4,367

	1935		1936		1937		1938	
	Number	Kind	Number	Kind	Number	Kind	Number	Kind
Western Music ...	1,767	2,467	1,925	2,901	1,984	2,833	1,410	1,903
Japanese Music ...	2,613	1,682	2,596	1,620	2,376	1,547	1,217	859
Popular & Folk Songs.....	2,166	3,983	2,425	4,494	2,498	4,715	1,285	2,486
Nursery Rhymes & Stories	676	1,244	848	1,620	773	1,367	446	805
Story Recitals	965	810	1,010	866	849	721	389	310
Others	1,660	2,024	1,713	2,179	1,689	2,277	1,216	1,618
Total	9,847	12,210	10,517	13,680	10,169	13,460	5,963	7,981

(1) Figures for 1938 are the totals up to October.

According to the list, the issue of new gramophone records during the first year of the China Affair decreased by 32 per cent in number in comparison with the preceding year. Recordings of popular songs suffered the most, due to restraint on the part of buyers and the strict control forced on the industry by the authorities to reform the degenerate tendency in words and tunes. The decrease in recordings of Japanese music is accounted for by the decline of interest in historical story recitations (naniwabushi).

The decrease in the number of new records issued, however, should not suggest at once a general decrease in sales, for the issue of new records is under the restrictions agreed on by the gramophone record companies. Therefore, further investigation must be made on the total number of records manufactured by the various companies to form a clear notion of trade conditions.

Now the total number of records manufactured during the one year prior to October, 1937 was 28,159,370 with sales estimated at 25,061,000. The total number for the one year prior to June, 1938 was 21,550,226 with sales estimated at 18,357,500. On this basis, the decline in manufacture was 6,609,144 and that in sales was 6,703,500. As the actual sales should be placed at 60 per cent of the total number, we can readily see that the gramophone record companies are not having an easy time. Other causes of this trade depression are the special tax imposed on gramophone and gramophone records in 1937, control measures enforced in 1938 over the import and distribution of materials for gramophone records, rise in prices of gramophones and records on account of prohibition of the use of iron and steel for their manufacture and that of needles, and lastly, the purification campaign carried out by the authorities on the words and tunes of popular song recordings.

This campaign takes us from trade conditions to a study of human factors. Popularity always reflects the tastes and demands of the age. These can be discerned by a close study of the things

that are most popular. Now the most popular records in Japan are those of popular songs, variety sketches (manzai), comic tales (rakugo), extravaganza (mandan), and the naniwabushi. Of these, the recordings of popular songs may be singled out because of their highest popularity.

New Trend in Popular Songs

Popular songs are a reflection of public sentiment. Sometimes they ring with common griefs or joys; sometimes they express general complaints or malcontent in the form of satire; sometimes they deride social defects or sound warnings on current tendencies. Through these qualities they function as the mirror of an era and again through these characteristics they are extremely sensitive to the tide of public opinion.

When the present conflict broke out, therefore, popular songs immediately reflected the change of national sentiment, and seriousness crept in where triviality had ruled before. The subsequent purification campaign decreed that words and tunes should be healthy and should not contain any elements endangering public morals and educationary discipline. The result was the complete extermination of their former frivolous and licentious elements. These were quickly replaced by patriotic and military sentiments. Though some songs carry in them a certain melancholy or appeal to the feelings, the majority of the new "hits" are war-songs or topical ballads. The "Patriotic March" and "Encampment Song" are sung in every corner of the Empire, and consequently recordings of the former sold more than 1,000,000 copies and of the latter, over 800,000 copies.

Among the topical ballads, one noteworthy quality is the satiric vein. One song runs:

> If need be, we will be content
> To make good use of substitutes;
> But is it national policy
> To purchase *geta* even when
> One has some shoes to wear?

Something akin in tone and sentiment to the above song is one called "Oppeke Rhythm," a satiric song on the pseudo-European fashion in vogue about 1888 and the "Nonki Rhythm" which is still sung.

At the same time, popular songs reflect a tendency to find their way into family groups away from the cafés, restaurants and streets where they were mainly sung before; and even street songs and

songs of toil are exploring new fields. This change to healthy normality is not only restricted to popular songs, but is affecting other popular records such as the Japanese short songs (kouta) and sketches (hauta). Variety sketches (manzai), which were considered to have their essence in vulgarity, have lately been improved by adding more tunes and dramatic elements.

Finally, in discussing popular gramophone records, recordings of Western music must not be neglected. The following table shows a certain decrease in the number of their manufacture, but when the general decrease in new records and in the total number of manufacture are taken into consideration, we see that Western recordings are actually gaining in popularity and that sales are increasing in spite of the unfavourable conditions brought about by the emergency.

	First half of 1937	First half of 1938	Decrease in 1938
Orthodox music	933,715	769,907	163,808
Jazz music	610,970	465,111	145,859
Total	1,544,685	1,235,018	309,667

THE 74TH SESSION OF THE IMPERIAL DIET

—Ministerial Addresses of January 21, 1939—

ADDRESS OF
BARON KIICHIRO HIRANUMA, PRIME MINISTER

IN this second New Year under the China Affair, when we are confronted with an increasingly grave situation, I received, to my awe and trepidation, the Imperial Command to assume heavy responsibilities as head of the Cabinet, responsibilities far beyond my limited power and ability. At the same time I consider it the greatest honour for me to attend the seventy-fourth session of the Diet which is to deliberate on the measures for dealing with the initial stage of the construction of a new order in East Asia, and to join with you in expressing our best wishes for the long life of His Majesty and continued prosperity of the Imperial Family, and to have an opportunity of stating the views of the Government, thus assisting the Throne in the administration of State affairs.

His Majesty the Emperor, who is devoting His attention day and night to manifold military as well as other State affairs, especially in relation to the China Affair, was pleased to grant to the Diet on the occasion of its opening ceremony, a most gracious message. We are all deeply moved by the Imperial concern with the present situation, and it is my humble but earnest hope that we may in conformance with the Imperial will dedicate ourselves to the service of the State and so set His Majesty's mind at ease.

To those officers and men in the services who, fighting for the past one and a half years at various fronts in China, have won brilliant victories, I wish to express our profound gratitude, while we mourn for those heroic dead who lie under the sod in a strange land. Let us pledge ourselves to the fulfilment of the high purpose for which they have given their lives.

As for relief work for soldiers, His Majesty the Emperor was pleased some time ago to grant a gracious message together with a generous sum of money from the Imperial Privy Purse. Indeed, the Imperial benevolence knows no bounds. The Government, in conformity with the Imperial will, has established the Society for Relief of Soldiers as an Imperial Foundation, which, in conjunction with governmental establishments, is expected to make perfect the work of military relief and relieve the officers and men at the front

from all cares and anxieties regarding their families at home.

In regard to the China Affair upon which both the Government and the people are concentrating their endeavours, there exists an immutable policy, for which Imperial sanction was obtained by the previous Cabinet, and in accordance with which the necessary steps have been taken in various directions. As the present Cabinet is, of course, committed to the same policy, it is determined to proceed at all costs to the achievement of the final purpose. To lay the foundation of prosperity and progress in East Asia through the political, economic and cultural cooperation of Japan, Manchoukuo and China with full mutual understanding between the three countries, for the realization of mutual helpfulness, neighbourly amity and solidarity, is, needless to say, to manifest the very spirit in which our nation was founded. Therein lies Japan's national purpose, which alone can insure the permanent peace of East Asia, and which can contribute to the progress of the world.

Obviously no lasting peace can be hoped for unless Japan, Manchoukuo and China, the three countries responsible for the stability of East Asia, are speedily united in the realization of the above-mentioned common objective—the establishment of a new order to replace the old. " Overcome," said the Emperor Meiji, " the evil ways of the past, and follow the just principles of nature." Here we have, I believe, what must be the basis of government in our country. Here is the ideal which was handed down from time immemorial by the Imperial Ancestors, and in accordance with which all the Imperial Successors have ruled the land. To " follow the just principles of nature " means in the last analysis to enable all entities to find their own proper places, and therein lie also, I believe, the essentials of government. And this principle applies equally to internal politics and international relations. The construction of the new East Asiatic order should proceed on the basis of this ideal.

I hope the above intention of Japan will be understood correctly by Chinese so that they may cooperate with us without the slightest apprehension. Otherwise, the construction of the new order would be impossible. As for those who fail to understand to the end and persist even hereafter in their opposition against Japan, we have no other alternative than to exterminate them. On the other hand, those who desire to make of themselves pioneers of a new China and cooperate in the execution of our national policy should be encouraged to take part in this historic task. We should gladly help them to rescue the Chinese masses from misery and distress, and liberate them from the bondage of old prejudices.

Happily in China today, enthusiasm for reconstruction is begin-

ning to sweep over the whole country, with a growing number of men and women who fall in line with the measures put into practice by the authorities of the new Governments at Peking and Nanking and the autonomous Government of Mongolia. This is a matter for congratulations for the sake of the stabilization of East Asia, and also as the fruit of our country's national purpose.

Since Communism has become so rampant on the Asiatic continent as to threaten to usurp the political power of China, its elimination is absolutely necessary if truth and righteousness are to prevail. In order to realize this, we must promote understanding with third Powers, and cooperation and collaboration especially with those Powers who fully understand us. Germany and Italy, as you are aware, have, from the beginning of the present conflict, consistently given us whole-hearted support, for which we are profoundly grateful. It is exceedingly gratifying that Japan's relations with these friendly Powers with whom we are bound by the Anti-Comintern Agreement are growing more intimate and cordial.

The notable development of Manchoukuo is a hopeful sign for the construction of a new East Asia. The measures calculated to maintain the inseparable relationship between Japan and Manchoukuo should be further strengthened. On the other hand, allow me to state that it is far from the thought of the Japanese Government to oppose needlessly the economic or cultural activities of third Powers. I earnestly hope that they will appreciate the true intentions of Japan and extend cooperation toward the construction of the proposed new order in East Asia.

The statement of the Japanese Government issued by the previous Cabinet which is based upon the basic policy vis-à-vis the China Affair, makes clear the guarantee required of China as a participant in the construction of the new order. The statement provides, I am confident, a principle most suited to the present situation for guiding the Chinese people and also for enlightening third Powers. Thanks to the valiant actions on the part of the Imperial forces and to the loyal support rendered by our people on the home front both in Japan Proper and overseas territories, the desired military victories have been won. The Kuomintang Government, still frantically pursuing its anti-Japanese and pro-Communist policy, has been reduced to the status of a local régime through its flight to a remote province. However, the final aim of our present campaign in China does not lie simply in military victories, but in the rebirth of China, and in the creation thereby of a new order uniting Japan, Manchoukuo and China on a relationship of mutual aid and collaboration. With the recent establishment of the China Affairs Board, it is now

expected that all matters relating to China will proceed smoothly. Of course, it is not difficult to see that the way is long and beset with difficulties. In order to surmount them and to make possible a glorious future, we should follow in the footsteps of our forefathers and devote our best efforts to the task on hand, rendering, in the spirit of national solidarity, united service to the Throne. It means the concentration of all the spiritual and material resources of the nation upon the accomplishment of one purpose. This can be done, I am certain, if we will. It should be remembered that the China Affair is not to come to an end until and unless we shall have achieved our ultimate aim.

United service to the Throne means the endeavour on the part of all the subjects to carry out the will of the Throne. In other words, our people in all walks of life—regardless of whether they are concerned with government, and regardless of whether they are engaged in agriculture, industry, or commerce—should fulfil their respective responsibilities in order that the Imperial benevolence may be realized to enable all things to find their proper places. Accordingly, I believe, it is in this spirit that all of us, no matter what our occupations may be, should serve the State and thus assist in the Imperial cause.

We must then, in conformance to the spirit of the Imperial message granted at the opening ceremony of the present session, strive to complete the great task of establishing a new East Asiatic order, and enhance national ideals handed down by our forefathers and manifest the united strength of the nation. In order to deal properly with the China Affair and international developments in the future, therefore, it becomes a matter of urgent necessity to renovate the educational system at the same time with enhancing national ideals. I believe that it is of prime importance that such measure should have their basis in the spirit of united service to the Throne, and lay emphasis upon actual practice.

Rapid augmentation of the entire strength of the nation, especially of national defence—that is to say, the creation of powerful armaments and economic expansion throughout Japan, Manchoukuo and China —constitutes the immediate, essential objective of our country. To meet the requirement of such armament augmentation and economic construction the entire nation must grasp fully the true significance of the current situation, and with strong determination, unitedly continue our investigations and labours in regard to the expansion of productive power, development of foreign trade, adjustment of capital, labour and materials, and regulation of commodity prices. Especially with respect to the expansion of productive power, the

Government expects to formulate and execute a comprehensive plan for development which will bring about the desired end.

The Government deems it of urgent importance to develop and reinforce all systems of transportation and communication in accordance with the new conditions in East Asia and is taking appropriate measures.

As for the various control measures carried out hitherto for economic activities, they must, of course, be continued within the bounds necessary for the maximum application of the total strength of the nation.

However, while these measures have until now mostly been economic, to meet the immediate requirements of prosecuting military operations, we must henceforth put into operation, in addition, other control measures which are of a permanent and constructive character. Accordingly it is essential to strengthen the alignment of the national life in general mobilization,—namely, to invoke in due order the necessary provisions in the National General Mobilization Law, effecting at the same time various internal reforms, and thereby fully manifest the combined strength of the nation and concentrate it on the objective of our national policy in the spirit of united service to the Throne.

On the other hand, the Government will carefully consider measures to be taken for coping with the problems of the suspension of business, unemployment arising among merchants and manufacturers, who will be affected by the governmental steps already described, as well as general measures for stabilizing the livelihood of the nation on the home front, such as promoting healthy development of the farming and fishing populations. And in order to accomplish this, it is essential to execute through free and active cooperation of the Government and people, unhampered by convention, the measures appropriate to the present situation. In carrying out the various policies there is much, I feel, that depends upon the cooperation of the Government and people.

It is with these considerations, that the Government is submitting budgetary and legislative bills in order to carry out its policies. As the present Cabinet was formed only recently, the bills prepared by the previous Cabinet, which have been found after careful study to be suited to the present situation, are being submitted for your consideration. It is its desire thus to join with you in forwarding the glorious task of the Empire.

I earnestly hope that you will, in view of the vital needs of the times, appreciate the aims of the Government and give your prompt approval to the proposed budgetary and legislative bills.

ADDRESS OF
MR. HACHIRO ARITA, MINISTER FOR FOREIGN AFFAIRS

AT a time when Japan's international relations are becoming increasingly complex owing to the China Affair, I am glad to have this opportunity of speaking on our foreign policy and our foreign problems in general.

It is scarcely necessary to reiterate that Japan's foreign policy, based upon the fundamental principles of our national polity, and designed principally for the fulfilment of Japan's moral responsibilities, has always been so conducted as to promote the interests and welfare of East Asia through the cooperation and collaboration of the peoples of that region, and to contribute to the general prosperity of mankind. Following the establishment of the Empire of Manchoukuo, the Japanese Government, having in view the neighbourly and inseparable relationship existing between Japan and that country, made it a policy to cooperate toward her healthy development as an independent State. But the critics have not been few, as you know, who have attacked this programme for collaboration between the two countries as a disguised form of territorial aggrandizement on the part of Japan or as a measure calculated to destroy or exclude the rights and interests of third Powers. Now what are the actual results that have been achieved during the past six years since the foundation of the new State? Legal and administrative systems have been set up in due succession, and the work of developing natural resources is progressing, so that the 30,000,000 people of the land are living happily, secure of their livelihood. The national foundations have been consolidated more firmly than ever, and seven Powers have already extended recognition to the Empire. The establishment of peace and order and the expansion of industries have notably benefited all other countries concerned, including Great Britain and the United States, whose trade with Manchoukuo is showing marked increases in volume as compared with the years prior to the Manchurian Incident. Such results would not have been possible but for Japan's devotion to her moral cause and her unselfish cooperation and contribution toward the healthy progress of Manchoukuo.

As regards the present China Affair, the basic policy and the resolute aim of the Japanese Government have been set forth in its statement of the 3rd of November last year. What Japan desires is the creation of a new order which is to secure the permanent peace of East Asia, that is to say, the construction of a new East Asia upon a moral foundation, in which Japan, Manchoukuo and China, while each fully preserving her independence and individuality, will stand united and

linked together for collaboration and mutual aid along all lines of political, economic and cultural activities. It is the firm conviction of the Japanese Government that such a new order is not only absolutely necessary for the existence and healthy development of Japan, Manchoukuo and China, but also conducive to the real peace and well-being of the whole world. Under date of December 22nd last the Japanese Government issued another statement declaring its intention of joining hands with far-sighted Chinese animated by similar ideals and aspirations, and to work together for the common purpose of constructing the new East Asiatic order and for the realization and mutual practice of neighbourly amity, economic cooperation, and joint defence against Communism. It was also announced that what Japan asks of China is neither territory nor indemnity for the cost of military operations, and further that not only will Japan respect the sovereignty of China, but she is even prepared to give practical consideration to the questions of the abolition of extra-territoriality and the rendition of foreign concessions and settlements, a matter which is obviously required for China's complete independence. In all these declarations are enunciated the national policy of Japan founded on moral principles.

Despite the repeated explanations given by the Japanese Government, there persist unfortunately misunderstandings in certain quarters abroad, ascribing to Japan an intention to close the doors of China. If we are to embark upon the creation of a new order in East Asia through mutual assistance and solidarity between Japan, Manchoukuo and China, it will of course be necessary to enforce certain restrictions and regulations in spheres having a vital bearing upon the national defence and economic independence of the three countries. But these measures will be confined to the minimum requirements, being directed toward no other purpose than that of enabling East Asia to function well as a link in the chain of world economy and to contribute to the general prosperity of mankind. Consequently there will be left open vast fields wherein not only will the rights and interests of other countries and commercial and other peaceful enterprises of their nationals remain absolutely unaffected, but wherein foreign participation will be really welcome, so that it is confidently expected that the economic activities of other Powers will be more than ever stimulated under the new order.

The Japanese Government, believing the removal of trade barriers of various kinds and the promotion of economic cooperation among the nations to be the best means of advancing the happiness and prosperity of mankind, have always striven toward the realization of those ends. Its future policy in this regard will sustain no change.

In fact, it is in accordance with this very policy that the Japanese Government plans to limit to the necessary minimum all restrictions on the economic activities of other Powers under the proposed system for Japan, Manchoukuo and China. It is hoped and expected that the Powers concerned will understand the true intentions of Japan and extend active cooperation in the task of constructing the new order in East Asia.

It is regrettable that the China Affair has given rise to circumstances prejudicial to the individual rights and interests of the nationals of other Powers in China, or placing restrictions on their residence and travel. That these circumstances have been unavoidable owing to military necessities is, I believe, appreciated by all. On the other hand, the Japanese Government, paying careful attention to the matter, has followed the policy of expediting the settlement of pending cases as far as is permitted by circumstances and as soon as the necessary investigations are completed. Already not a few cases have thus been satisfactorily settled.

As regards the reported conveyance of arms through French Indo-China and other territories, the Japanese Government has from time to time called the attention of the Governments concerned to the matter; and when necessary, proper steps will be taken. The China Affair has now entered upon a new phase as the result of the fall of Canton and Hankow. While we will not relax our efforts for the overthrow of the anti-Japanese régime, we are obliged at the same time to address ourselves earnestly to the work of construction.

Although the Chiang Kai-shek régime is still professing its policy of a so-called "long-term conflict," it has already fled into a remote province and become a purely local régime, while, in the regions in the occupation of our forces sentiment is growing rapidly against the Comintern and in favour of friendship with Japan. The Provisional Government at Peking and the New Government at Nanking respectively and the Autonomous Government of Mongolia are all making healthy progress and steadily winning popular support and confidence. Moreover, in the fall of last year a Joint Committee was formed by the Provisional and the New Governments; and movements are coming to a head in Hankow and Canton for the establishment of other local governments. It is hoped that a new Central Government may be speedily organized and cooperate with us for a settlement of the present conflict. As for the recent flight from Chungking of certain leaders of the so-called "peace faction" in the Chiang Kai-shek régime, the Government is watching carefully for consequent developments.

In order to cope with the destructive activities of the Communists,

there was concluded some time ago the Japanese-German Agreement for Safeguarding against the Communist International, to which Italy subsequently became a signatory. The manœuvres of the Comintern are both insidious and elusive, but in Europe and in Asia wherever there is any disturbance of peace and order, there is invariably to be discovered the hand of the Comintern behind the scenes. The Civil War in Spain, now almost three years old, affords a most outstanding example of the activities of this organization, whose favourite procedure is to utilize a local affair as a fuse to set off a general conflagration in order to bolshevize the world. Indeed the Comintern is the arch-enemy of peace and order.

In East Asia, too, the Communists were active before the commencement of the present China Affair, instigating the Kuomintang Government and causing Chiang Kai-shek to pursue an anti-Japanese policy. Since the outbreak of hostilities, they have rapidly extended their sinister influence and have ultimately made their way into the inner councils of the Kuomintang Government so as to command positions of leadership in both military and political affairs. The so-called " long-term conflict " as well as guerilla tactics have originated in the recommendations of the Communist Party. They constitute a conspiracy which, by sacrificing the masses of China, aims at the postponement for as long as possible of a settlement of the present conflict and by that means at the bolshevization of China and of the entire world.

Fortunately, however, the Japanese-German-Italian Agreement against the Communist International has proved efficacious in checking to some extent in Asia, as well as in Europe, the destructive operations of the Comintern. In the light of experience we cannot but believe that the more this agreement is expanded and strengthened, the more potent will be the guaranty of world peace. The recent announcement by Manchoukuo and Hungary of their intention to participate in the agreement is gratifying as an extension of the anti-Comintern front.

Our relations with the Soviet Union became extremely strained at the time of the Changkufeng Affair, which, however, was settled through appropriate action on our part before it assumed serious proportions. In North Saghalien the illegal interference with our concession rights pertaining to oil and coal have not ceased as yet, rendering the exercise of those rights more and more difficult. As regards the fishery question, although we have continued to exert our utmost efforts for the conclusion of the treaty, the draft of which has long been mutually agreed upon, the negotiations have failed owing to the questions which have been injected into the discussions

by the Soviet Government, and which have no relevance to the fishery treaty. In December last the Government entered into negotiations for the renewal of the *modus vivendi* which was to expire at the end of the year. But, even in this case, the Soviet Government put forward and insisted upon many unreasonable conditions, so that no agreement could be reached before the year-end. It was therefore decided to carry over the negotiations to this year, after requesting the Soviet Government to take no measures that might affect the *status quo* of the fishery situation. While it is expected that the Soviet Government will negotiate with sincerity and that ultimately a satisfactory agreement will be arrived at, Japan is, of course, prepared to take appropriate steps when it comes to a question of protecting her legitimate vested rights and interests.

We believe that an enduring world peace can be established only on the moral foundation of the friendship and harmony of mankind and in conformity with the principles of justice and equity. The causes of the present international anxiety and unrest are certainly many and complex. But there is no doubt that the principal causes lie essentially in efforts to maintain a *status quo* which is actually not in accordance with justice and in attempts made from selfish motives to stifle the development and progress of newly-risen Powers.

The establishment of a new East Asiatic order proposed by Japan, being based on moral principles and in conformity with international justice, will, I am convinced, serve to promote friendship between the countries of East Asia and other Powers by putting their relations on a truly sound basis, and it will thus serve to bring real peace to the world. Since there are still some who entertain misapprehensions and doubts in this regard, it is incumbent upon us all firmly to resolve to walk fearlessly along the path of righteousness in the execution of our national policy.

ADDRESS OF
MR. SOTARO ISHIWATA, MINISTER OF FINANCE

I DEEM it a great honour to explain here a general outline of the 1939–40 Budget for revenue and expenditure and the conditions of economic circles in this country.

In my opinion, the unshakable policy of our nation is to build up a new order ensuring permanent stability in East Asia, and for this purpose we are making it our immediate, concrete objective to work for the replenishment of national defence sufficiently to meet the international situation and at the same time to plan for the

development of economic strength throughout Japan, Manchoukuo and China. In order to attain these two great objectives of replenishing national defence and building up economy, the preceding Cabinet has already carried out various necessary measures, and for the future, we intend by and large to follow the existing policies, amplifying them whenever it is deemed necessary to do so and working for mutual harmony and coordination in these various policies.

With regard to the 1939–40 Budget, the preceding Cabinet completed the general compilation, and therefore we have arranged to take it over for introduction into the present Diet. The amount of the General Budget for the 1939–40 fiscal year is a little more than 3,694 million yen both in revenue and expenditure, which when compared with the budget amount for the preceding fiscal year, shows an increase of a little over 180 million yen.

First of all, I will give a general explanation of the revenue budget. This is made up, in round numbers, of 2,801 million yen from taxes and other ordinary revenue, 84 million yen brought over from the preceding fiscal year as a surplus fund, and 809 million yen as proceeds from public loans. The ordinary revenue just mentioned shows an increase of 294 million yen when compared with the corresponding budget amount for the preceding fiscal year, this estimated increase being largely due to estimated increases in tax proceeds. To be more exact, the income tax proceeds are estimated to increase by some 160 million yen, the provisional profit tax proceeds by 102 million yen, the business profit tax proceeds by 23 million yen, the inheritance tax proceeds by 13 million yen and other items by 23 million yen, totaling more than 323 million yen, while the brewery tax, stock and commodity exchange tax and other tax proceeds are estimated to decrease by a little more than 58 million yen in all. Therefore, the tax revenue as a whole is to increase roughly by 264 million yen, and I am inclined to think that this estimated increase in revenue may roughly be taken to reflect a favourable trend in economic circles.

Apart from the tax revenue, some of the principal increases and decreases in the estimates for ordinary revenue include an increase in round numbers of 15 million yen in forestry proceeds, an increase of 7 million yen in levies on horse races, an increase of 40 million yen in proceeds from the enforcement of the Convertible Bank Note Consolidation Law, a decrease of 13 million yen in the Monopoly Bureau profits, a decrease of 19 million yen in revenue due to the non-payment of Manchoukuo's share of national defence expenses, etc.

Next, I will explain the general outline of the expenditure budget. The Budget for the 1939–40 fiscal year has been compiled so as not only to concentrate all governmental measures for the purpose of attaining the objective of the Affair, as in the preceding fiscal year, but also to consolidate them even more intensively. Naturally we have so arranged as to strengthen all measures connected with the Affair as far as possible, while we have refrained from estimating the other various expenses save for those whose urgent needs call for immediate attention. To be more exact, we have estimated fresh increases totaling a little over 97 million yen for the relief fund for soldiers' families, various expenses for military aids, various expenses for the protection of wounded soldiers and other expenses required for various other home-front measures. We have also estimated other fresh increases at roughly 56 million yen in the expenses relating to the expansion of productive power, 13 million yen in the expenses relating to the adjustment of the supply and demand of commodities, 18 million yen in the expenses relating to the promotion of export trade, 20 million yen in the expenses needed for the execution of the horse administration plan, 23 million yen in the expenses relating to emigrants to Manchuria, 24 million yen in the expenses relating to civil aviation and air defence.

Moreover, in view of the disastrous floods occurring in various places recently, we have seen an urgent need for expenses relating to river conservation, and we have established a basic plan for the prevention of landslides in all prefectures, working out at the same time river conservation plans for the Tone, Yodo and other rivers. Accordingly we have estimated such amounts as will be required during the forthcoming fiscal year for these purposes.

In addition to these, required amounts have also been estimated to cover expenses relating to the remedial measures for those losing employment or forced to change vocations, the expenses relating to the remedial measures for farming villages, the expenses relating to the promotion of medium-sized and small industries, the expenses relating to the enforcement of the compulsory education system at the Seinen Gakko (Young Men's and Women's Schools), etc. Further, the subsidies for local finances are estimated to amount to 130 million yen as in the preceding fiscal year, while, in order to meet the possible necessity of making expenditures in excess of, or outside of, the budget in connection with the Affair or other events, the first reserve fund has been increased by 10 million yen over the preceding fiscal year to 30 million yen and the second reserve fund has been fixed at 60 million yen. Mention may also be made of the

amounts saved by cutting or postponing some of the estimated expenses previously fixed for the 1939–40 fiscal year as well as of the amounts saved due to the departure of some army and navy units and war vessels for the war front. These amounts are spread over all Departments of the Government and total a little over 317 million yen. Consequently the budget contains considerable changes in detail as compared with the preceding fiscal year.

Again, the estimated proceeds consequent upon the legislation of the China Affair Special Tax Law and other circumstances total some 351 million yen, showing an increase of 34 million yen as compared with the preceding fiscal year. These proceeds are to be entered in the special account for military expenditures as a financial resource for the provisional war expenses as originally planned. And, if the amount of this estimated entry were left out of calculation, the total amount of revenue and expenditure would be a little over 3,342 million yen.

The deficit in the General Account during the 1939–40 fiscal year will be made good by public loans, which will total roughly 809 million yen including 4 million yen from the Post-Quake Remedial Bonds, 8 million yen from the Road Bonds, and 795 million yen from the Revenue Supplementing Bonds.

Next, a few words on the Special Account Budget. The revenues and expenditures in the five special accounts for Chosen, Taiwan, the Kwantung Leased Territory, Karafuto and the South Seas Mandatory Islands, are all estimated to increase considerably in comparison with the budget figures for the preceding fiscal year. Of these estimated increases, those in revenue are mainly due to increases in tax proceeds, while those in expenditure have been estimated specially to cover such expenses as are deemed urgently necessary in view of the prevailing situation. The other special account budgets have also been compiled in line with the policy followed in the compilation of the General Account Budget.

For transference to the account for emergency military expenditures, 32 million yen has been estimated in the special account of the Chosen Government-General, 16 million yen in that of the Taiwan Government-General, 7 million yen in that of the Kwantung Bureau, 4 million yen in that of the Karafuto Government, 40 million yen in that of the Imperial Government Railways and 16 million yen in that of the Communications Department, totaling 116 million yen.

As for the amounts of public loans to be floated during the forthcoming fiscal year as estimated in the various special accounts, their total is given as 273 million yen, including 164 million yen for the Chosen Government-General, 6 million yen for the Taiwan

Government-General, 80 million yen for the Imperial Government Railways and 22 million yen for the Communications Department. If the amount of 809 million yen estimated for public loan in the General Account as stated before, is added to the figures just given, the grand total of projected public loans will amount to 1,028 million yen.

Further, as regards the military expenses relating to the Affair, an additional budget for the special account for emergency military expenditures is expected to be laid before the Diet shortly for legislative approval.

As for the projected general reform of the central and local tax systems, the project has been shelved temporarily following the outbreak of the conflict. Now as the Affair has entered a stage of long-term construction, it is deemed necessary for us to effect readjustments in the tax systems, and therefore we are thinking of pushing careful investigation with sufficient attention paid to the future developments of the situation. In the meantime, however, with a view to increasing the tax burden on industries which are gaining in earnings and at the same time helping in checking consumption, we have planned to effect revisions and increased collections of the temporary profit tax, commodity tax and other similar levies. Accordingly we are now making necessary preparations for the introduction of legislative bills for that purpose to the Diet during its current session.

Next, I take this opportunity to make brief mention of the conditions of economic circles in our country with reference to the situation with which the nation is now confronted.

Since the beginning of the China Affair, huge amounts of Government money have been poured into the financial market, and the Government has made it its basic policy to work for the appropriate and smooth accumulation and movement of capital by such means as encouraging savings and adjusting the supply of capital. Thanks to the understanding and cooperation on the part of the people, these measures are attaining notable results. Meanwhile, the Government is also giving careful thought to the question of when a public loan may be floated or Government money paid out for better results.

Thus, the financial market is making favourable progress with the supply and demand of capital adjusted properly on the whole, and quiet prevails in financial circles. During the year, the average issue of convertible bank notes amounted to 1,919 million yen, which is an increase of 384 million yen as compared with the year before last. But, in view of the fact that this increase was

partly due to special causes, I think there is nothing particularly extraordinary about this increase in the issue of convertible bank notes if the recent economic conditions of our country are taken into consideration.

With respect to the people's savings, increases have been notable, bank deposits having increased by 3,370 million yen and postal savings by 689 million yen during the past year. Meanwhile, the call money market has continued to make favourable progress since the early part of last year. In the debenture market, too, considerable activity has been witnessed since its reopening in February last year, the company debentures newly issued totaling 1,160 million yen by the end of the year.

Furthermore, the Temporary Capital Adjustment Law has also continued to be operated smoothly, and the capital invested in industrial equipment during the past twelve-month period exceeded 2,800 million yen, such investments having all been so calculated as to meet the purpose of expanding productive power of most immediate necessity in our country. In the future, too, the demand for capital is expected to continue to rise more and more for the expansion of industrial productivity and other purposes in view of the prevailing situation, and the Government makes it its policy to work for the accumulation of capital by further encouragement of savings, on the one hand, and effect appropriate regulation of capital so as to make the supply of capital for necessary purposes smoother than ever before, on the other.

I also take this opportunity to comment briefly on the invocation of Article 11 of the Law for National General Mobilization. The Government has, after necessary deliberation by the National General Mobilization Council last December, decided to put the provisions of the said article into operation, and is now preparing the drafts of relevant ordinances. In my opinion, in order to carry on long-term construction, it will be necessary to expand the productive power of required materials throughout Japan, Manchoukuo and China. The Temporary Capital Adjustment Law has been put into operation as a means to this end, and in order to meet future developments in the situation, we have deemed it necessary further to improve industrial operations and at the same time to take appropriate measures for active supplies of industrial capital. For this purpose, we are planning to provide appropriate restrictions on company dividends and also have the Government authorized to issue necessary orders to the Japan Industrial Bank regarding advances of capital. We expect these measures, coupled with the operation of the Temporary Capital Adjustment Law, to

contribute toward the expansion of productive power and the consolidation of industrial foundations in the future.

Smooth absorption of public loans is a matter of pivotal importance for the operation of State finances, and the Government is paying close attention to this fact. In this connection, it is a matter for congratulations that, thanks to the cooperation of the people, loan absorption has made favourable progress, as approximately 3,800 million yen of public loans have been absorbed during the past year. However, the public loans estimated for flotation during the 1939–40 fiscal year are expected to amount to a gigantic total, and it will be extremely important to effect smooth digestion of them. Under the prevailing situation, this digestion of public loans as well as the projected expansion of productive power throughout Japan, Manchoukuo and China depends largely on the people's savings for necessary capital, and for this reason, we intend to push our studies of various measures, and means to popularize public loans in particular, with the movement for the encouragement of people's savings as their axis.

Next, as regards foreign exchange, I think it most appropriate to maintain the existing exchange standard in view of the internal and international economic situation. In this connection it will be of extreme necessity to strive for improvement in international receipts and payments and for the replenishment of resources to make payments abroad, the latter of which, it is needless to say, will depend largely on the promotion of the export trade. During last year, the foreign trade of our country amounted to 2,896 million yen in exports and 2,836 million yen in imports, totaling 5,732 million yen. In the trade balance, there was left an export excess of a little over 60 million yen, which was a notable improvement as compared with the import excess for the year before last amounting to 635 million yen. However, we are required to make strenuous efforts to develop our export trade from the viewpoint of the desired acquisition of capital in foreign currency, and for this purpose the Government has already earmarked a portion of the specie reserve of the Bank of Japan to create the foreign exchange fund and is also taking other appropriate measures, which we intend to improve and expand after making sufficient studies.

It is natural that expansion of productive power should have its emphasis on what are known as heavy industries, and it is also of great importance to promote such industries as are connected with the export trade as well as to maintain industries urgently needed for the livelihood of the people. Therefore, the Government is planning to provide appropriately for assuring supply of materials

and for the smooth operation of financing for these branches of industries.

In order to balance the international receipts and payments favourably, it is needless to say that we are required to work for increased production of newly-mined gold and concentration of gold simultaneously with endeavouring for the promotion of export trade. Having formulated its plan for the increased production of mined gold at an early date, the Government has been working for the increase of newly-mined gold through various measures, and is determined further to render efforts for the realization of the said plan. Meanwhile, the concentration of gold existing within the country is also going on with satisfactory results with the cooperation of various circles, and we are feeling really reassured in the interest of our nation. In this connection we are prepared to make further efforts for the future concentration of gold which is still being held in private circles.

Furthermore, distribution of materials and control of consumption as well as regulation of commodity prices are all bound to condition the operation of the Budget, promotion of the export trade, stabilization of the people's livelihood, and other matters, and for this reason the Government is planning to render further efforts with the full cooperation of the people for these purposes in the future.

It is also regarded as extremely necessary in view of the prevailing situation that the three nations of Japan, Manchoukuo and China should supply each other's deficiencies and effect interdependent existence and prosperity through close cooperation maintained between themselves. And now, Manchoukuo has grown greatly in economic strength and her relations of mutual aid and cooperation with our country are becoming closer than ever before. In China, too, the three régimes of the Provisional, Renovation and Mongolian Governments are each making steady growth, while we have already witnessed the organization of the North China Development Company and the Central China Promotion Company, and are convinced that we can hold out great hopes for the future development in these regions with the expected stabilization of peace preserving operations there.

In recent years, the economic circles of our country have attained remarkable progress, and I think it a matter for sincere felicitations for the benefit of our country to see all economic activities going on quietly and steadily instead of showing uneasiness in connection with the current Affair. However, our nation has now launched itself on its way for long-term construction looking toward an unprecedented fulfilment of our national destiny, and in order to

accomplish this task, I think it necessary further to amplify our economic resources and mobilize them all for the single purpose of attaining the desired objective. In other words I think it necessary to adjust and mobilize all production and consumption for the purpose of attaining this national objective.

In the situation now prevailing, I am of the opinion that it is extremely important for us to be firmly determined voluntarily to brave all hardships and privations and endeavour for the cultivation of national strength by using our creative ability to its best advantage. Having in the past overcome many a difficult situation with undivided cooperation and a genuine sense of loyalty, our nation will undoubtedly be able to effect perfect solidarity today. Even if the projected long-term construction be a task difficult of accomplishment, I am convinced that there is no cause for apprehension concerning its ultimate completion.

Before closing, I request that you kindly accord your legislative approval to the budgetary bills introduced by the Government after due deliberation thereon.

STATEMENT OF THE FOREIGN OFFICE SPOKES MAN REGARDING THE PARTICIPATION OF MANCHOUKUO AND HUNGARY IN THE ANTI-COMINTERN AGREEMENT

January 16, 1939

IT is a significant development in the international situation that at the beginning of the year Manchoukuo and Hungary, complying to the joint invitation made by Japan, Germany and Italy, the three original signatories, have expressed their intention of participating in the Anti-Comintern Agreement.

The Comintern is the common enemy of mankind, scheming as it does for the obliteration of the history and culture and the destruction of the order of every nation. It is quite natural, therefore, that the existence of this subversive organization cannot be tolerated in any region of the world, and that all Powers, acting in cooperation, are determined to bring about its extinction.

The Comintern previously attempted to bolshevize Spain and Central Europe, but it was expelled by Germany and Italy. In Great Britain and France also it camouflaged itself under the guise of democracy and agitating the left wing elements, schemed to bring about the bolshevization of those countries. As a result, it incurred the strong animosity of these Powers; and Anti-Comintern sentiment throughout Europe is gaining strength. Hungary has now come forward to join the Anti-Comintern pact.

Needless to say, in East Asia Japan was the first to undertake the task of safeguarding against the Communist menace. Now, with Manchoukuo about to join in the agreement, the anti-Comintern front extending over Europe and Asia has been given new strength.

Japan, which has assumed the great task of establishing a new order in East Asia, warmly welcomes the addition of two strong links in the East and West in the pact to exterminate the Comintern menace. We firmly believe that the participation of Hungary and Manchoukuo will lead to the adherence by other Powers, who share our views, in the anti-Comintern agreement.

LAWS AND ORDINANCES RECENTLY PROMULGATED

PRIME MINISTER'S CABINET

Ordinance Concerning Operation of the Agricultural Insurance Law

(Imperial Ordinance No. 782 of December 28, 1938)

THIS Ordinance lays down the necessary provisions for the operation of the Agricultural Insurance Law.

Amendments to the Organization of Temporary Personnel in the Kwantung Province Bureau

(Imperial Ordinance No. 792 of December 28, 1938)

Ordinance Concerning Custody and Observation of Ideological Offenders in Kwantung Province

(Imperial Ordinance No. 793 of December 28, 1938)

Organization of the Kwantung Custody and Observation Office

(Imperial Ordinance No. 794 of December 28, 1938)

Organization of the Kwantung Custody and Observation Investigation Commission

(Imperial Ordinance No. 795 of December 28, 1938)

Amendments to Ordinance Concerning Rank and Salary of Senior Civil Officials

(Imperial Ordinance No. 796 of December 28, 1938)

With regard to the character of ideological offenders and conditions in Kwantung Province, there has been initiated there the system of keeping

such offenders under custody and observation. Provisions have been made for the creation of the Kwantung Custody and Observation Office for the purpose of putting this system into operation. Organization is also provided of an Investigation Commission whose duty it is to conduct investigation of the individual cases to decide as to the necessity of custody and observation of each case. In connection with the creation of these institutions, the rank and salary of the officials attached to the Kwantung Custody and Observation Office have been fixed. All these Ordinances came into force on January 10, 1939.

Ordinance Concerning Declaration of Vocational Abilities of the Nation

(Imperial Ordinance No. 5 of January 7, 1939)

An exposition of this Ordinance will be found in the article entitled "Registration of Vocational Abilities" in the present issue of TOKYO GAZETTE.

Amendments to the Organization of the Hokkaido Prefectural Office

(Imperial Ordinance No. 6 of January 7, 1939)

Amendments to the Organization of the Prefectural Offices

(Imperial Ordinance No. 7 of January 7, 1939)

Amendments to Ordinances Concerning the Temporary Personnel in the Prefectural Offices

(Imperial Ordinance No. 8 of January 7, 1939)

These Ordinances provide for handling at the Hokkaido and other Prefectural Offices of affairs relating to the operation of the Ordinance providing for declaration of vocational abilities of individuals, and for the increase in personnel in the offices in charge of this business.

Published by Mitsuaki Kakehi, The Tokyo Gazette Publishing House, 557 Osako Building, Uchisaiwaicho, Kojimachi-ku, Tokyo. Printed by K. Kosakai, the Kenkyusha, 2 Kaguracho 1-chome, Ushigome, Tokyo.

Annual Subscription including postage Nine Yen in Japan, Twelve Shillings in the British Empire and Three Dollars in U.S.A.
75 sen, 1 shilling or 30 cents per copy.

昭和十四年三月一日 印刷　　昭和十四年三月一日 發行
發行所　東京市麹町區内幸町一ノ三　東京ガゼット發行所・編輯兼發行人　東京市目黒區自由ケ丘三一九　筧　光圀
印刷者　東京市牛込區神樂町一ノ二　小　酒　井　吉　藏・印　刷　所　東京市牛込區神樂町一ノ二　研究社印刷所

"Japanese Standard Size B5."